

Message Text

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PAGE 01 STATE 059573 POSS DUPE
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FM SECSTATE WASHDC

TO USDEL MAR DEL PLATA

UNCLAS STATE 059573

FOLLOWING TEL SENT ACTION SECSTATE INFO GENEVA, USUN NEW YORK,
OECD PARIS, EC BRUSSELS, NEW DELHI FROM VIENNA MARCH 16:

QUOTE UNCLAS VIENNA 2052

DEPARTMENT PASS TREASURY FOR ASST. SEC. BERGSTEN.

DEPARTMENT PASS ALL DIPLOMATIC POSTS

GENEVA FOR STAFFDEL MEISSNER/FREEMAN

E.O. 11652: N/A

TAGS: EAID, EFIN

SUBJECT: AGREEMENT REACHED ON IDA V REPLENISHMENT

1. THE IDA DEPUTIES, MEETING IN VIENNA, REACHED
AGREEMENT MARCH 15 ON A FIFTH REPLENISHMENT OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA). THE
TOTAL LEVEL OF CONTRIBUTIONS IS EXPECTED TO BE \$7.6
BILLION OF WHICH \$7.2 WOULD COME FROM TRADITIONAL
DONORS. THE UNITED STATES WOULD CONTRIBUTE \$2.4
BILLION, WHICH WOULD BE 33 PERCENT OF TRADITIONAL
DONORS SHARE (AS IN THE FOURTH REPLENISHMENT) OR
31.42 PERCENT OF THE TOTAL. OPEC COUNTRIES ARE TO
CONTRIBUTE \$437 MILLION ABOVE THE \$7.2 BILLION.

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ALL TRADITIONAL IDA FOUR DONORS ARE PARTICIPATING
IN IDA V EXCEPT SWITZERLAND, WHOSE 1.47 PERCENT SHARE
IS BEING OR IS TO BE FILLED BY VOLUNTARY CONTRIBUTIONS
FROM OTHER DONORS (NOT INCLUDING U.S.). IDA FIVE
RESOURCES WILL COVER IDA COMMITMENTS FOR THREE
YEARS FROM JULY 1, 1977 THROUGH JUNE 30, 1980.

2. NEXT STEP IS DISCUSSION (MARCH 29) BY BOARD OF EXECUTIVE DIRECTORS, WHO WILL THEN REPORT TO BOARD OF GOVERNORS AND RECOMMEND APPROVAL OF THE DRAFT RESOLUTION ON IDA FIVE.

3. AGREEMENT WAS REACHED ON A PROCEDURE WHEREBY THE UNITED STATES IN SIGNING UP FOR IDA V MUST MAKE AN UNQUALIFIED COMMITMENT FOR THE FIRST INSTALLMENT OF \$800 MILLION AND MAY MAKE A QUALIFIED COMMITMENT (SUBJECT TO APPROPRIATIONS FROM THE CONGRESS) FOR THE SECOND AND THIRD INSTALLMENTS. THE REPLENISHMENT WILL BECOME EFFECTIVE WHEN QUALIFIED AND UNQUALIFIED COMMITMENTS HAVE BEEN MADE BY 12 PERCENT OF COUNTRIES FOR 80 PERCENT OF THE TOTAL REPLENISHMENT. IDA WILL BE UNABLE TO MAKE NEW CREDITS BASED ON THE SECOND AND THIRD INSTALLMENTS UNTIL MEMBERS HAVE MADE UNQUALIFIED COMMITMENTS FOR THAT YEAR TOTALING AT LEAST 80 PERCENT OF THE INSTALLMENT. THE EFFECT OF THIS PROCEDURE IS TO REQUIRE A FULL APPROPRIATION OF THE US SHARE EACH YEAR FOR THE REPLENISHMENT TO PROCEED AS PLANNED. IN CASE OF DELAYS IN REACHING THE 80 PERCENT TRIGGER FOR CREDITS UNDER THE SECOND AND THIRD INSTALLMENTS, IT IS PROVIDED THAT IDA WOULD REQUEST THE DEPUTIES TO MEET TO CONSIDER WHAT STEPS TO TAKE TO OBTAIN THE NECESSARY COMMITMENTS.

4. THE DEPUTIES HAVE AGREED UPON THE NEED FOR A REVIEW OF IDA'S CRITERIA FOR LENDING BECAUSE OF UNCLASSIFIED

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CHANGED CIRCUMSTANCES AND ECONOMIC CONDITIONS SINCE THE CRITERIA WERE LAST REVIEWED IN 1973. THEREFORE, THE DEPUTIES AGREED ON THE NEED FOR A PAPER TO BE PREPARED BY IDA AT THE EARLIEST POSSIBLE DATE (MANAGEMENT ESTIMATES BY MID-MAY), TO BE THE BASIS FOR A REVIEW TO BE COMPLETED BY THE EXECUTIVE DIRECTORS BY JUNE 30, 1977. EXECUTIVE DIRECTORS WILL BE INFORMED OF THE DEPUTIES AGREEMENT ON REVIEW IN SEPARATE MEMORANDUM FROM MCNAMARA. BUCHANAN UNQUOTE VANCE

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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